

UNIT FRANCHISE PROGRAM AND AREA DEVELOPMENT PROGRAM			
Name of Fee <sup>1</sup>	Amount	Due Date	Remarks
			<p>of our training staff and/or capacity in the session.</p> <p>Spice UniversiTea is a training requirement for new franchisees for which they do not pay a fee, as the cost for a new franchisee and up to two (2) additional approved designees is covered by the Establishment Fee.</p>
System Development Fee	Currently, you must expend 1% of your Gross Sales. We reserve the right to increase your System Development Fee to 3% of your Gross Sales.	On the Payment Day <sup>3</sup> of each Accounting Period	The System Development Fee is currently 1%, but we may increase it upon 30 days' prior written notice. The Fee is used to maximize recognition of the Marks and patronage of Stores
Local Advertising Requirement	Currently, you must expend 1% of your Gross Sales. <u>With a maximum increase of up to 5% of your Gross sales.</u>	Monthly	<p>We require you to spend an average of 1% of Gross Sales per month on local advertising in accordance with our standards and specifications. You may spend any additional sums you wish on local advertising.</p> <p>You are currently required to report your local advertising expenditures to us on a quarterly basis, within 15 days of the end of each calendar quarter.</p>
Local Advertising Cooperative Fee	If an advertising cooperative is established, up to 2% of your Gross Sales per calendar year.	On the date established by the cooperative	If an advertising cooperative is established, you will be required to contribute to it an amount determined by that local advertising cooperative up to 2% of your Gross Sales per calendar year. Your contribution to the Local Advertising Cooperative will be credited toward your Local Advertising Requirement. Currently, there are no Local Advertising Cooperatives in place.

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Additional on-site Training or Assistance	Our then-current per diem fee not to exceed \$600 per day per trainer, plus travel costs and expenses.	15 days after billing	You will only be required to pay this fee if we require or you request, and we agree to provide, additional opening team or on-site training. The cost for Initial Training is covered by your Establishment Fee.
Renewal/ Successor Franchise	\$17,500	Upon signing successor Franchise Agreement	There are other conditions that you must meet in order for us to approve your renewal request.  This amount will help defray certain costs we incur in connection with reviewing and processing your renewal request.
Transferee Training Fee	\$7,500	Upon transfer of the Franchise Agreement	This fee is paid by the transferee to cover our costs in training the transferee upon transfer of the Franchised Business. This fee covers our cost to provide our initial training program to you and up to two (2) designees that we approve, which is comprised of Spice UniversiTea, online training and on-site training. Training timeframes are customized to meet the needs of the transferee.
Kiosk Location Fee	\$1,500	Yearly, upon execution of Addendum to Franchise Agreement	We may offer the opportunity to operate a non-traditional “Kiosk Location,” as more thoroughly defined in Item 12.  If you operate a Kiosk Location, you will be required to pay a yearly fee of \$1,500, payable to us, and sign our then-current form of Addendum to the Franchise Agreement (a current sample copy of which is attached as Exhibit J to the Franchise Agreement).
Audit	Cost of inspection or audit plus travel and lodging.	15 days after billing	If Gross Sales are understated by 2% or more you must also pay for the cost of the audit. We reserve the right to conduct a PCI compliance audit.
Subscription, Support and	<del>Then-current</del> Monthly Fee, which	On the Payment Day	This fee is paid for subscription and support services related to all technology support

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Inventory Management Fee	currently ranges from \$300 to <del>\$800</del> <u>1,000</u> .	of each Accounting Period	systems and/or software, including, but not limited to, the point-of-sale system and inventory management system (including bill payment), communication systems, email service and security, and licenses. The high end of the range is for franchisees that use a second point-of-sale system in their Store, which is optional. We reserve the right to designate and/or change the amount, scope, or manner of payment of the fee, including the party to whom payment is made, at any time upon providing reasonable notice to you.
Administrative Fee	15% of any amount we pay on your behalf.	On demand	We reserve the right to charge you this fee if you fail to pay any required costs (such as insurance or expenses) and we decide to pay them on your behalf. You must also reimburse us for any amounts advanced on your behalf.
Integrated Music System Fee	Monthly Fee ranges from \$90 to \$150.	To be determined by the third-party administrator	This fee is for the audio programming we or our third-party provider will provide you with for playing in your Store as well as the stereo equipment necessary to play the audio programming.
Interest	Lesser of 18% per year or highest contract rate of interest allowed by law.	Within 15 days after billing	Payable on all overdue amounts.
Late Payment Penalties	15% of the late amount.	Due on payment of late amount	Payable on all late payments including interest.
Costs and Attorneys' Fees	Our actual costs and attorneys' fees.	As incurred	Payable if you default under any agreement with us causes us to incur attorneys' fees and costs.
Indemnification	Our actual costs will vary according to loss.	On demand	You must indemnify and defend us if your actions result in a loss to us.